

Due to HOTEDD

The amount shown as "Due to HOTEDD" in the financial statements is owed to the Heart of Texas Economic Development District under the terms of a lease agreement. Under the terms of the agreement, rental revenues received by the Council for the rental of a building (see disclosure above) are first used to pay related debt service payments, insurance and maintenance costs. Any remaining rental receipts are owed to HOTEDD and must be used by HOTEDD for economic development projects.

Additionally, the Council serves as HOTEDD's fiscal agent. Accordingly, a proportionate share of the Council's pooled cash is also part of the "Due to HOTEDD" balance.

Long-term Liabilities

A summary of long-term liability activity for the year ended September 30, 2025, is as follows:

	Beginning Balance	Additions	Reductions/ Adjustments	Ending Balance	Amount Due in One Year
Governmental activities:					
Notes payable	\$ 38,644	\$ -	\$ 38,644	\$ -	\$ -
Leases	1,886,860	49,187	270,254	1,665,793	271,808
SBITA payable	111,022	-	26,318	84,704	27,254
Compensated absences	226,343	-	6,765	219,578	175,663
Total	<u>\$ 2,262,869</u>	<u>\$ 49,187</u>	<u>\$ 341,981</u>	<u>\$ 1,970,075</u>	<u>\$ 474,725</u>

Leases

The Council has entered into multiple leases as lessee for a facility, office space and parking, and equipment. The lease terms range from 48 to 300 months. The Council is required to make monthly payments ranging from \$249 to \$22,961.

A summary of the governmental activities long-term lease payable as of September 30, 2025, is as follows:

Purpose of Lease	Interest Rate	Initial Year of Lease	Amount of Initial Lease Liability	Interest Current Year	Amounts Outstanding 9/30/25
Right to Use:					
Facility	3.50%	2008	\$ 6,012,277	\$ 5,490	\$ 1,620,430
Postage meter	3.50%	2020	19,541	64	-
Copier	3.50%	2020	13,708	6	-
Postage meter	3.50%	2025	27,415	159	26,620
Copier	3.50%	2025	21,771	536	18,743
Totals				<u>\$ 6,255</u>	<u>\$ 1,665,793</u>

Annual lease payments to maturity are as follows:

Year Ending September 30,	Lease Payable		Total Requirements
	Principal	Interest	
2026	\$ 271,808	\$ 6,170	\$ 277,978
2027	272,895	5,082	277,977
2028	282,022	3,981	286,003
2029	283,161	2,842	286,003
2030	280,708	1,731	282,439
2031	275,199	803	276,002
Totals	<u>\$ 1,665,793</u>	<u>\$ 20,609</u>	<u>\$ 1,686,402</u>